

goods from the company store to different places around town and he would walk," Scott Henry explained. "He got tired of walking so he decided to get a truck and he nailed a flat platform in the back of his truck and saw he could give miners a ride while he was delivering his goods."

According to Martz Group, the vehicle he designed, was "rustic" by today's standards, but was heralded "a chariot" particularly by mining families in Wyoming Valley area at that time.

In 1912, Frank Martz Sr., incorporated the White Transit Company and added four coaches. For a nickel, an individual could ride the coach to get from 'Point A' to 'Point B.' White Transit Company provided public transportation for Wilkes-Barre area until Luzerne County Transportation Authority took over the service, Scott Henry noted.

Over the years, Martz coach service was expanded throughout Pennsylvania, New York, New Jersey, Ohio and Illinois.

Also, in 1926, a four- and six-passenger airplane service was started by Frank Martz Sr. to shuttle corporate clients to and from Wilkes-Barre, Newark, Buffalo and Cleveland. This service ended in 1933.

Frank Martz Coach Co. was incorporated in 1927 and this led to more buses being added and intracity routes. With this, an individual could hop on a bus and travel to New York City, Philadelphia, and upstate New York.

According to Martz Group, the company was the first to feature an on-board host or hostess. Frank Martz Sr. also is considered a pioneer in express service, according to Martz Group. He implemented the service to appease prospective clients who were disappointed by frequent bus stops.

In 1936, National Trailways Bus System was established which consisted of a group of independent carriers providing transportation and ticketing coordination to help companies compete against Greyhound. According to Martz Group, Martz is the sole original member of the organization of 26 carriers.

During the Depression of 1930s, Martz scaled back coach services. Frank Martz Sr. introduced "club coaches" to clients to help stay the business. Club coaches offered amenities such as overstuffed chairs, writing desks, radios, a host or hostess and air conditioning.

At the time of his death in 1936, Frank Martz Sr. was operating a transportation company that extended along the Northeast coast and featured 150 coaches.

His son, Frank Martz Jr. then took over the company, rebuilding Martz after the Depression.

After Frank Martz Jr. died in a helicopter accident in 1964, Frank Henry took over the Martz reins. He serves as president and CEO of Martz Group; Scott Henry is president of Martz Trailways.

The company was renamed "Martz Group" and has facilities and services concentrated on the East Coast, from Wilkes-Barre, including Martz Towers on Public Square, to New York and Florida.

Businesses operating under the Martz Group banner are Martz Trailways, Wilkes-Barre; Martz Lines/Gray Line, Philadelphia; Martz Travel, Wilkes-Barre; Tourtime, Virginia; Gold Line/Gray Line, Washington, D.C.; Franklin Motorcoach, Virginia; National Coach Works, Virginia; First Class Coach Co. and Gulf Coast/Gray Line, both of Florida.

"Basically, we'll do whatever anybody wants to enjoy themselves in the transportation end of it," Scott Henry said.

He noted excursions offered by Martz include Penn State football games, fall foliage tours, Belmont Stakes and Preakness,

amusement parks including Great Adventure, New Jersey, and Hershey Park, and NASCAR events. Martz also transported passengers to Olympic events held in Atlanta, GA and Montreal, Canada, according to Scott Henry.

Charters can be arranged for up to 53 people. For those who desire to travel in the lap of luxury, Martz offers its "Executive" line buses. The vehicles are equipped with a lounge, card tables, sofas, microwaves and coffee makers, televisions and seat up to 24 people, according to Scott Henry. A host or hostess is also included in Executive packages.

"I view our business as we are in the entertainment business," Scott Henry suggested. "We will take people so they could go and have a good time."

"If you say you want to go to Pittsburgh, we will get you tickets for the football game, baseball game. . . . You tell us how many people you have, an idea of what you want to do and we'll find something for you," he continued.

According to Scott Henry, the business is constantly growing and adding new coaches, services and upgrading equipment to transport clients to almost any point in the world.

Notably upgrades in equipment have helped grow its customer base, Scott Henry noted.

For example, in the 1950s, Martz was the second company nationwide to implement two-way radios in its coaches. This allowed for speed of service in weather bulletins and assisted communication among passengers.

And it was one of the first to provide television to clients.

"We were the first in the area and one of the first in the country to do it and now it's standard where we buy equipment with televisions on it," Scott Henry said of the founder's foresight.

The company's commitment to service was noted early in the business's history, Scott Henry added, explaining that Frank Martz Sr. would situate a block of ice near a ventilation system as a primitive air-conditioning system for coaches.

A recent upgrade, Martz features four handicap accessible coaches, one of which is permanently sited in Wilkes-Barre, Scott Henry said.

And Martz buses can be seen rolling down almost any highway and bi-way today as a testament of its success.

"In Wilkes-Barre alone, for the month of May, we had 73,000 passengers," Scott Henry said of just one of its daily line services from Wilkes-Barre to New York City. "That's 2,500 people a day."

More recently, Martz is offering "I Ride Trolley" services in Disneyworld, Florida, and bi-lingual tours in Washington, D.C. Charters feature head sets for all passengers in up to five different languages, Scott Henry explained.

As far as look to the horizon, Scott Henry noted the company will remain committed to its longstanding motto of "Safe, courteous service" which has been the case since Frank Martz Sr. began the business 90 years ago.

According to Scott Henry, Martz, for now, plans to build up its holdings.

"We plan to continue to concentrate on the Eastern region," Scott Henry stated.

The company's main competition is from airlines, rental cars and also people who choose to travel with their own wheels.

To that end, Martz seeks to safeguard and improve on its niche in the comfort zone and move closer to becoming a one-stop service.

He explained persons chartering trips to New York City can obtain event tickets, arrange for an early night dinner before catch-

ing the latest theatrical production and taking in a few city sights and maybe catch a flick on the way home.

#### HONORING MIDDLE SCHOOL 141

**HON. ELIOT L. ENGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 25, 1998*

Mr. ENGEL. Mr. Speaker, Middle School 141 is celebrating its 40th anniversary of teaching the young people of Bronx County. In that time thousands of students have learned in a benign, education friendly environment, taught by caring teachers and principals. From the beginning the school administration insisted on the involvement of parents and it is most likely this which gave the school its ability to reach its students.

The education of our children is perhaps society's most important function. Middle School 141 has fulfilled this obligation for these 40 years.

MS141 opened with 600 students, in grades five through eight and two kindergarten classes. Today the school's enrollment is 1,500. Our future is written in their faces. I proudly congratulate the graduates, students and faculty for their glorious contribution to our society.

#### INTRODUCTION OF THE RETIREMENT ACCOUNTABILITY SECURITY PORTABILITY ACT OF 1998

**HON. RICHARD E. NEAL**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 25, 1998*

Mr. NEAL of Massachusetts. Mr. Speaker, today Congressman GEJDENSON and I are introducing comprehensive pension legislation which focuses on the four major themes of accessibility, security, portability, and equity for women. Almost 51 million American workers have no pension coverage. In my state of Massachusetts, only 29 percent of employers with fewer than 100 employees sponsor pension plans. Small businesses with fewer than 100 employees make up approximately 36 percent of the workforce in Massachusetts.

The Retirement Accountability Security Portability Act of 1998 will make it easier for employers to offer pensions and for employees to keep their pensions when they change jobs. Now is the time for us to focus on pensions. We are beginning to face what has been commonly referred to as the "graying of America." Within thirty years, one out of every five Americans will be over age sixty-five. In thirteen years, the baby boomers will begin turning sixty-five. The baby boomer generation consists of 76 million members and will result in the Social Security beneficiaries doubling by the year 2040.

Pensions are an integral part of retirement. Retirement can be compared to a three-legged stool and the legs of the stool are savings, pensions and Social Security. Forty percent of retirement income comes from Social Security, nineteen percent comes from pensions, and the remaining comes from private savings. Last year, we enacted the Taxpayer

Relief Act which created the Roth IRA which has made IRAs available to millions of Americans. The response has been overwhelming. The Taxpayer Relief Act has jump-started personal savings and now we need to do the same for pensions.

Our society changed greatly over the last few decades and these changes have affected the workplace. It is now more common to change jobs than stay with one firm for an entire career. This makes it extremely important for us to address pension portability. Portability allows the employee to transfer the benefits of their pension when they change jobs. Changing jobs should not drastically affect one's pension.

Five million people with pensions change jobs every year. One-third of employees leave their job before reaching five years of employment. Under current law, an employee does not receive the employer's contribution until he or she has been employed for five years. This legislation will reduce the vesting period from five years to three years for employer contributions to defined contribution plans or allows benefits to become vested in increments of 20 percent for each year beginning after two years of service, with full vesting after the employee has completed six years of service.

This legislation allows employees of non-profit entities and public schools to take their retirement savings when they change jobs and put these savings into the retirement plan of their new for-profit or state or local government employer when they switch jobs. Participants of 457 defined contribution plans would be permitted to rollover their account balance into an IRA. The current 60-day rollover period is extended in cases of natural disaster and military service. Individuals faced with disaster will be able to avoid substantial tax penalties.

This legislation creates a new simplified tax-favored pension plan entitled Secure Money Annuity or Retirement Trust Plan, commonly referred to as the SMART Plan. These plans would provide participants with a minimum guaranteed benefit at retirement with Pension Benefit Guaranty Corporation insurance. Employees would immediately vest in the benefit contributions made and earnings that accrue under the plan. Funding would be provided either through an annuity or a trust. This type of funding allows SMART plans to be portable upon a job change. The SMART plan is a simplified defined benefit plan which contains the best attribute of a defined contribution plan which is portability.

I urge my colleagues to join us in protecting pensions for American workers.

THE RETIREMENT ACCESSIBILITY,  
SECURITY AND PORTABILITY  
ACT OF 1998

**HON. SAM GEJDENSON**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 25, 1998

Mr. GEJDENSON. Mr. Speaker, today, joined by dozens of our colleagues, I am proud to introduce the Retirement Accessibility, Security and Portability Act of 1998, comprehensive pension legislation which will increase access to our nation's private pension system, enhance the protection and security of our nation's retirement funds, boost options for portability within the system and restore a degree of gender equity to the system.

I have been working on this issue for a number of years now, and have been dedi-

cated to it because of a number of factors. First, we are in a new world today. Today's worker does not go through life with one job. They move around a lot. They go from job to job, taking advantage of new training and opportunities. While this is great for economy, it also means that today's workers are not getting the kind of retirement benefits our parents had. Gone are the days when a person would work for one company, retire and collect one check a month.

I have also been concerned because 51 million Americans, half the American workforce, have no pension coverage. Of that, 32 million work in small businesses. This is a staggering fact, and we must do something to help people save more, particularly our nation's women and small business employees.

Women are particularly disadvantaged by our pension system. 12 million women in this country work in firms that do not offer pensions. Two thirds of today's working women are concentrated in industries that have the lowest pension coverage. Something must be done to improve this.

Once our nation's families are saving, it is essential that we protect those savings. Mr. Speaker, as many of our colleagues know, in the town of Westbrook in my eastern Connecticut district, about 80 employees working for a firm called Emergi-Lite began 1998 by finding out that their pension money was gone. They had been defrauded out of their money by a swindler. That swindler recently pleaded guilty and will be spending a few years in jail. Our pension system needs to tighten up so that tragedies like this do not happen again.

As I said earlier, the Retirement Accessibility, Security and Portability Act of 1998 is comprehensive pension reform legislation that seeks to solve some of these problems.

Since accessibility is a problem, particularly in small businesses, I propose a tax credit to cover a portion of the start-up and administrative costs of starting a pension plan. Many small employers at home in Connecticut have told me that the costs of starting a plan keep them from doing so. Since savings are a national priority, we should make it easier for small employers to help their employees to save.

In this legislation I also propose to establish a simple pension plan that guarantees monthly payments for life. The gentleman from Massachusetts, Mr. Neal, working with the President, brought this idea to my attention. In this bill we establish the SMART, or Secure Money Annuity or Retirement Trust. This is a new, simple kind of annuity plan that will bring people into the retirement savings system in a way that guarantees benefits for as long as a retiree lives. This is something that will benefit millions of Americans.

We also are introducing in this bill new security protections. When this bill becomes law, participants in a plan, either defined benefit or defined contribution, will begin receiving statements of how their investments are doing. If the employees can see their money grow, they will be more in tune to when there are problems.

Finally Mr. Speaker, we make a number of changes in this bill to restore a sense of gender equity to our retirement savings system. While the changes outlined above will benefit all workers, they will benefit women in particular, since they are more likely to lack retirement coverage. We have in this bill a series of improvements, however, for women in par-

ticular. For example, we have new safeguards to ensure that pension benefits are not overlooked when a couple divorces. We add a new option for federal workers to increase benefits for women who outlive their husbands. We add a new hotline targeted at women so they have somewhere to turn when pension questions arise.

Mr. Speaker, I want to thank so many of my colleagues and their staffs for the work they have done in putting this bill together. In particular, I would like to thank Leader GEPHARDT, Mr. NEAL, Mr. RANGEL, Senator DASCHLE, Mr. POMEROY, Mrs. KENNELLY, Senator MOSELEY-BRAUN, Mr. ANDREWS, Mr. JEFFERSON, Mr. PAYNE, Ms. STABENOW, Mr. PRICE, Mr. MCNULTY, and Mr. MCDERMOTT. Their work, and the work of their staff, has been of enormous help in bringing this legislation forward.

It is my hope, Mr. Speaker, that the Leadership of this House, and the Chairmen of the Committees of jurisdiction bring this bill forward for consideration. The issue of Retirement Security is an incredibly important one to our nation's working families. There is no more important effort our leaders can make.

Mr. Speaker, I submit a detailed, section by section summary of the bill for the RECORD.

THE RETIREMENT ACCESSIBILITY, SECURITY  
AND PORTABILITY ACT OF 1998

TITLE I—EXPANDING PENSION COVERAGE AND  
ACCESS

*Increases Coverage through Access to Payroll Deduction for Retirement Savings.*—An employee would be allowed to make contributions of up to \$2,000 tax-free to his or her IRA through automatic payroll deductions from wages. This would be in lieu of taking the deduction at the end of the year on the individual's tax return. The immediate tax benefit received by the individual is more beneficial than the deduction taken many months later. In addition, contributions of small amounts would be more appealing to low-income workers than a one-time contribution of \$2,000.

*Increases Coverage through a Nonrefundable Tax Credit For IRA Contributions made by Low-Income Workers.*—The maximum credit of \$450 per year would be more beneficial to low-income workers than the \$2,000 deduction because many of these workers are in the 15-percent tax bracket. The benefit would be delivered to taxpayers on a sliding scale basis. Thus, the lowest income workers, who need to save some minimum amount for their retirement, would be provided with the greatest tax benefit under the credit.

*Creates Flexibility by Allowing Penalty-Free IRA Withdrawals in Cases of Long-Term Unemployment.* An employee would be permitted to make penalty-free (but not tax-free) withdrawals from an employer sponsored plan such as 401(k) or 403(b), as well as an IRA, in cases of unemployment that exceeds the receipt of benefits for 12 consecutive weeks. (§ 132, HR 1130)

*Enhances Accountability by Requiring that Pension Plan Participants be Given Periodic Benefit Statements.* Pension plans would be required to provide plan participants and beneficiaries with benefit statements reflecting the balance and activity of the participants' or beneficiaries' accounts at least annually for defined contribution plans (such as 401(k)) and at least once every three (3) years for defined benefit plans. This is in lieu of providing benefit statements only upon request.